GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2811
ANSWERED ON:19.03.2007
PROCUREMENT BY STATES
Barman Shri Hiten

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the States where paddy, rice and wheat are procured by State Government agencies and also where it is procured directly by Food Corporation of India (FCI);

(b) the reasons for procurement by different agencies;

(c) whether the State Governments are incurring losses due to such procurement by them;

(d) if so, the quantum of such losses incurred during the last three years, Statewise; and

(e) the details of compensation paid to States for such losses, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): The names of States where paddy/ rice and wheat have been procured by Food Corporation of India (FCI) and State agencies in 2006-07 marketing season are given in Annexure-I.

(b): Different agencies are engaged in procurement of foodgrains to widen the coverage of Minimum Support Price (MSP) operations in order to ensure that farmers get remunerative prices for their produce and do not have to resort to distress sale.

(c),(d)&(e): The entire expenditure on procurement operations of foodgrains borne by the agencies of the State Governments, which procure paddy, rice and wheat on behalf of the Government of India, is reimbursed by the Government of India in the form of food subsidy as per the approved costing principles.